

House Panel Finds 'No Credible Evidence'

By Walter Pincus
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A House task force reported yesterday that its 10-month investigation found "no credible evidence" to support allegations that the Reagan-Bush campaign in October 1980 sought to delay the release of Americans held hostage in Iran until after that year's presidential election.

Earlier this year, a Senate panel also found no conclusive evidence for what has been termed the "October Surprise" conspiracy.

"The work of the task force should finally put these allegations to rest," Rep. Lee H. Hamilton (D-Ind.), chairman of the task force and the House Foreign Affairs Committee, said yesterday.

Promoted by a handful of arms dealers and covert operators, the October Surprise story alleged that the late William J. Casey, the Reagan-Bush campaign manager, promised future arms shipments to the revolutionary Iranian regime that was under attack from Iraq if the Tehran government would refuse to release the 52 Americans then held at the U.S. Embassy until after the election.

"Many of the key sources of these allegations not only lacked credibility but were fabricators," Rep. Henry J. Hyde (Ill.), the

ranking Republican on the task force, said yesterday. The task force voted unanimously to send the names of several of them to the Justice Department—along with their testimony—for possible perjury prosecution, Hyde said.

While knocking down the basic allegations in the October Surprise story, the task force report disclosed for the first time that the Reagan administration's covert arms dealings with both Iraq and Iran, which caused so much controversy when the Iran-contra scandal became public in late 1986, actually began during Ronald Reagan's first year in the White House.

In December 1981, according to the task force report, the Reagan administration contemplated giving Iraq U.S.-made artillery pieces if the Baghdad government would turn over specific Soviet military equipment. At the same time, then-Secretary of State Alexander M. Haig had agreed to let Israel ship American-made spare parts for F-4 aircraft to Iran, a reversal of Carter administration policy that prohibited any shipment of U.S.-made arms to Tehran.

The task force report said that in arguing to be permitted to ship arms to Iran, the Israelis invoked the same reasoning that the Reagan administration used when its own arms-for-hostages shipments were disclosed in November 1986. The arms

were justified by Israeli officials, the report said, because "such transfers would improve Israel's access to and influence with 'moderate elements' within the Iranian military."

In 1981, however, the U.S. intelligence community vetoed the Iraq deal and it was dropped, according to the task force report.

An initial shipment to Iran by Israel, as discussed with Haig, apparently went through, although Israeli requests for additional shipments were not approved, according to the report. The Israelis, however, claimed that two lists were approved that contained American-made equipment, but the task force reported it could not find any documentation authorizing such transfers.

Overall, according to the task force report, Israeli shipment of military equipment to Iran between 1980 and 1983 totaled "just over \$180 million" with American-made material being just a small part of that figure. Meanwhile, Tehran's worldwide purchases during that time came to almost \$4 billion, mostly from communist-bloc sources.

One of the main allegations of the October Surprise proponents is that Tehran was rewarded with enormous arms shipments as the quid pro quo for keeping the American hostages and thus securing the election for

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Reagan. Some stories put the total shipments arranged by Casey and others in the billions.

Hamilton, on the other hand, said the task force members concluded that "no credible evidence exists that arms were delivered in any manner as to constitute a quid pro quo for the delayed release of the American hostages."

The 1981 pattern of Reagan administration secretly helping both sides in the Iran-Iraq War, as disclosed by the report, did continue. The White House and Casey, who became CIA director, approved giving intelligence assistance to both sides and eventually approved new shipments of military equipment.

Another, more controversial point raised by the task force report involved whether the Carter administration in 1980 tried to trade arms for hostages.

Hyde said then-President Jimmy Carter attempted such a deal, and Hamilton defended Carter, saying arms that had been purchased by Iran's pre-revolution leader had been frozen when the followers of Ayatollah Ruhollah Khomeini seized the hostages.

"President Carter's position was that he would unfreeze those assets if the hostages were released," Hamilton said, adding that he did not consider that trading arms for hostages.

At yesterday's Senate Foreign Relations Committee confirmation hearing on Secretary of State-designee Warren M. Christopher, Sen. Jesse Helms (R-N.C.) demanded to know whether Christopher believed the Carter administration had engaged in its own secret arms-for-hostages deal to obtain freedom for the captives in Tehran.

As deputy secretary of state under Carter, Christopher negotiated the hostages' release. In response to Helms, Christopher recalled that the Carter White House announced at the time that the Iranian assets would not be returned until the American hostages were freed. During negotiations before the 1980 election, Christopher told the Iranians that Carter would decide on the arms only after the hostages were freed.

When the agreement to release them was finally concluded in January 1981, the United States surrendered some of the frozen Iranian funds and equipment, under terms that Christopher said were spelled out specifically in the agreement.

"That was far different than the trading of new arms and equipment to ransom hostages," Christopher said. "That was vastly different from what President Reagan did later."

Staff writer John M. Goshko contributed to this report.